

Financial

Section



Elliott Davis, LLC
Advisors-CPAs-Consultants

One 10th Street, Suite 460
P.O. Box 2278
Augusta, GA 30903-2278

Phone 706.722.9090
Fax 706.722.9092

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Commissioners
Columbia County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of *Columbia County, Georgia* (the "County") as of and for the year ended June 30, 2003, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 14, 2003, on our consideration of internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, grants and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

As discussed in Note 1 to the basic financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statements No. 34, 35, 37 and 38, effective July 1, 2002.

Management's Discussion and Analysis on pages 4 through 16 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Columbia County, Georgia's basic financial statements. The combining and individual fund statements and schedules described in the accompanying table of contents and the Schedule of Expenditures of Federal Awards as required by US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and statistical tables and data listed in the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the statistical tables and data listed in the Statistical Section, has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical tables and data listed in the Statistical Section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Elliott Davis, LLC

Augusta, Georgia
November 14, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion & Analysis

The Management's Discussion and Analysis of the Comprehensive Annual Financial Report (CAFR) of Columbia County, Georgia (the Government) provides an overall narrative and analysis of the Government's financial statements for the fiscal year ended June 30, 2003. This discussion and analysis is designed to look at the Government's financial performance as a whole. Readers should also review the additional information provided in the transmittal letter, which can be found preceding this narrative, and the complete financial statements, with notes, which follow this narrative, to enhance their understanding of the Government's financial performance.

Financial Highlights

Key financial highlights for the year ended June 30, 2003 are as follows:

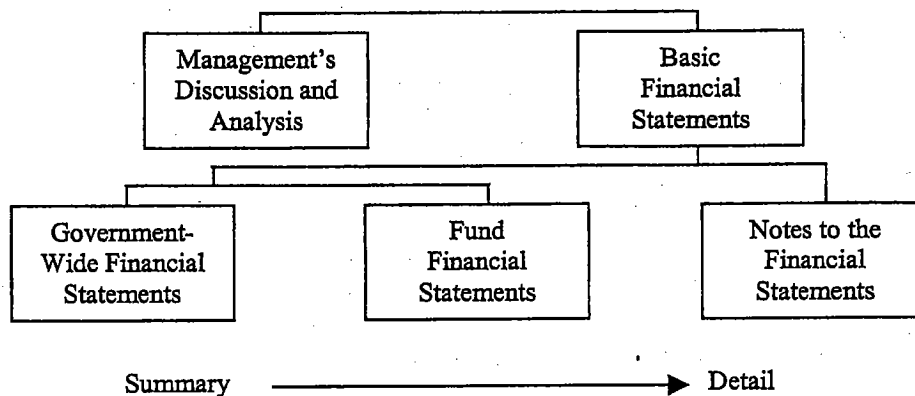
- The Government's combined net assets totaled \$205.4 million.
- The Government's total net assets increased by \$13.3 million, primarily due to increased revenue from special purpose local option sales tax.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$41.6 million, an increase of \$4.4 million from the prior year. Approximately 86% of this total amount, or \$36 million, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$14.3 million, or 41% of total General Fund expenditures for the fiscal year. Of this amount, \$10.7 million has been designated for other purposes, leaving \$3.6 million, or 10% of total General Fund expenditures, as undesignated.
- Combined Revenue totaled \$83.4 million of which governmental activities totaled \$54.9 million and business-type activities totaled \$28.5 million.
- Overall expenses totaled \$70.1 million of which governmental activities totaled \$42.6 million and business-type activities totaled \$27.5 million.
- Expenses of governmental activities exceeded program revenue, resulting in the use of \$33 million in general revenues (mostly taxes).
- Total Outstanding Long-Term Debt, excluding compensated absences, decreased approximately \$4.5 million due to the continuing reduction in outstanding principal on existing debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Government's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Government through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Government.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Government's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of Columbia County, Georgia's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Government's non-major governmental funds and internal service funds, all of which are added together in one column on the appropriate basic financial statements.

Government-wide Financial Statements

The Government-wide financial statements provide a broad view of the Government's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Government's financial position, which assists in assessing the economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This means the statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include the following two statements:

The **Statement of Net Assets** presents information on all of the Government's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Government is improving or deteriorating.

The **Statement of Activities** presents information showing how the Government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expense and program revenues for each function of the Government.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities and 3) component units. The governmental activities include most of the Government's basic services such as general administration, judicial services, public safety, public works, health and welfare, culture and recreation, and housing and development. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those services that the Government charges a fee to customers in order to provide. These include waste management, water and sewer, and storm water. The final category is component units. The Development Authority of Columbia County serves to promote, pursue and implement economic development in the county. The Columbia County Board of Health is a public health department. Although legally separate from the Government, the Government appoints a voting majority of the boards for the Development Authority and the Board of Health.

Fund Financial Statements

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Government, reporting the Government's operations in more detail than the government-wide statements. All of the funds of the Government can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. These fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds

Most of the basic services provided by the Government are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide statements, these funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which focuses on current financial resources. Such information may be useful in evaluating the government's short-term financing requirements. These statements provide a detailed short-term view of the Government's finances that assists in determining whether there will be adequate financial resources available to meet the Government's current needs. The relationship between government activities in the government-wide financial statements and the governmental funds financial statements is described in a reconciliation that is a part of the fund financial statements.

The Government has four governmental fund types: the General Fund, Special Revenue Funds, Debt Service Fund and the Capital Projects Funds. Only two individual funds are being considered major funds – the General Fund and the 2001-2005 Special Purposes Local Option Sales Tax Fund (SPLOST).

Proprietary Funds

The Government has two types of proprietary funds used to account for activities that operate similar to commercial enterprises found in the private sector. Funds that charge fees for services provided to outside customers including other local governments are known as Enterprise Funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Funds that charge fees for services provided to departments within the reporting government are known as Internal Service Funds. Proprietary funds use the accrual basis of accounting, thus there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The Government has four enterprise funds: Water and Sewerage Fund, Solid Waste Authority Fund, Solid Waste Management Fund and the Storm Water Utility Fund. The Government has two internal service funds: Employee Medical Fund and Risk Management Fund. The Water and Sewerage Fund, Solid Waste Authority Fund and Solid Waste Management Fund are the only funds being considered major funds for presentation purposes.

Fiduciary Funds

The Fiduciary Funds are used to account for assets held by the Government as an agent for individuals, private organizations, other governments and other Columbia County departments. The Government is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because the resources are not available to support the Government's operations or programs.

Government-wide Financial Analysis

Due to mandated changes from the Governmental Accounting Standards Board (GASB), the government-wide financial statements for the year ended June 30, 2003, are the beginning of a new era in financial reporting for the Government, and many other units of government across the United States. Prior to this year, the Government maintained governmental, proprietary, and fiduciary fund groups as separate and very distinct types of accounting without any type of consolidated statement that reflected the operations and net assets of the Government as a whole. A total column appeared on the financial statements, but it was a memorandum total only. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of the Government. These statements were basically the equivalent of the fund financial statements that appear in this report with the exception that two account groups, the long-term debt and the general fixed assets, were included.

Because of the new reporting model, comparative data for all facets of this report are not available. When comparative numbers are accessible, they have been included, such as with outstanding debt. Future years' reports will have more comparative data that will allow more opportunities for comparative analysis.

The Government's Net Assets June 30, 2003

Figure 2

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$45,790,681	\$47,363,874	\$93,154,555
Capital assets	99,389,399	120,940,250	220,329,649
Total assets	145,180,080	168,304,124	313,484,204
Long-term liabilities outstanding	29,259,783	71,563,092	100,822,875
Other liabilities	4,862,494	2,406,895	7,269,389
Total liabilities	34,122,277	73,969,987	108,092,264
Net assets:			
Invested in capital assets, net of related debt	71,494,399	68,365,327	139,859,726
Restricted	715,729	7,998,301	8,714,030
Unrestricted	38,847,675	17,970,509	56,818,184
Total net assets	\$111,057,803	\$94,334,137	\$205,391,940

Net Assets

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by \$205.4 million as of June 30, 2003.

The largest portion of the Government's net assets, \$139.9 million or 68%, reflects its investment in capital assets such as land, buildings, equipment and infrastructure (road, bridges, sidewalks, water lines and sewer lines) less any related debt used to acquire those assets that is still outstanding. The Government uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Government's net assets, \$8.7 million or 4%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$56.8 million or 28%, may be used to meet the Government's ongoing obligations to citizens and creditors.

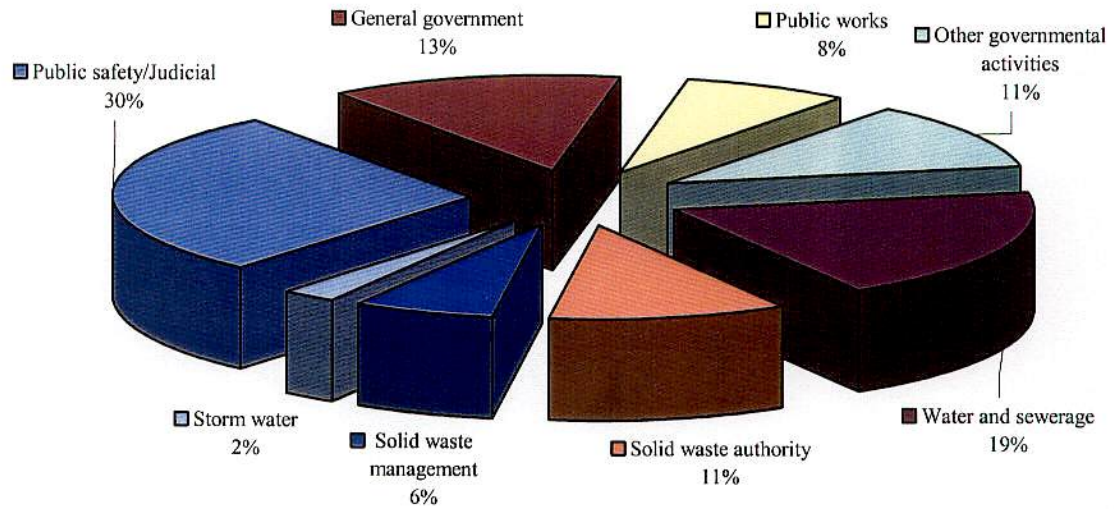
Several particular aspects of the Government's financial operations positively influenced the total *unrestricted governmental net assets*:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 99% for real and personal property.
- Continued low cost of debt due to the County's high bond rating.
- Continued diligence in the maintenance of a 75 – 90 day unreserved fund balance designated for operations in the General Fund.

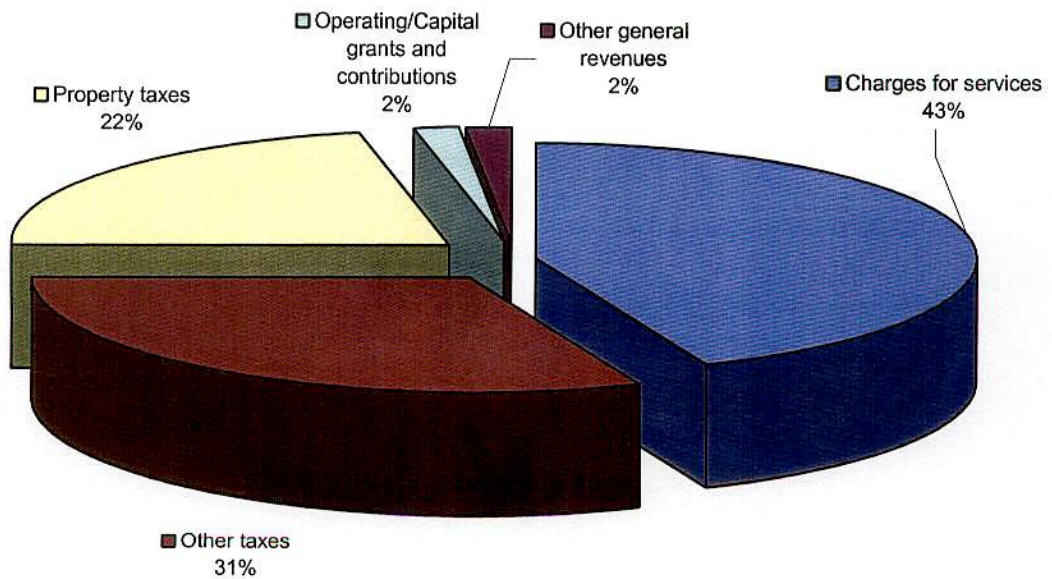
**The Government Changes in Net Assets
For the Year Ended June 30, 2003
Figure 3**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 8,271,016	\$ 28,122,405	\$ 36,393,421
Operating grants and contributions	395,277	-	395,277
Capital grants and contributions	901,989	71,838	973,827
General revenues:			
Property taxes	18,156,702	-	18,156,702
Other taxes	25,975,970	-	25,975,970
Unrestricted investment earnings	686,170	286,586	972,756
Gain on sale of assets	78,949	6,850	85,799
Miscellaneous	439,346	-	439,346
Total revenues	<u>54,905,419</u>	<u>28,487,679</u>	<u>83,393,098</u>
Expenses:			
General government	9,160,130	-	9,160,130
Judicial system	3,099,467	-	3,099,467
Public safety	17,039,958	-	17,039,958
Public works	5,258,183	-	5,258,183
Health and welfare	1,097,913	-	1,097,913
Culture and recreation	2,979,531	-	2,979,531
Housing and development	2,458,672	-	2,458,672
Interest on long-term debt	1,476,859	-	1,476,859
Water and sewer	-	13,650,616	13,650,616
Storm water	-	1,684,876	1,684,876
Solid waste management	-	4,537,644	4,537,644
Solid waste authority	-	7,617,211	7,617,211
Total expenses	<u>42,570,713</u>	<u>27,490,347</u>	<u>70,061,060</u>
 Increase in net assets	 12,334,706	 997,332	 13,332,038
 Net assets, July 1	 <u>98,723,097</u>	 <u>93,336,805</u>	 <u>192,059,902</u>
 Net assets, June 30	 <u>\$ 111,057,803</u>	 <u>\$ 94,334,137</u>	 <u>\$ 205,391,940</u>

Government-Wide Expenses



Government-Wide Revenues



Changes in Net Assets

Governmental activities. Governmental activities increased the Government's net assets by \$12.3 million, and thereby accounting for 92% of the total growth in the net assets of the Government. Key elements of this increase are as follows:

Governmental Revenues. Property tax and other taxes continue as the main source of revenue for governmental activities of the Government amounting to 80% for the year ended June 30, 2003. Sales tax revenues contributed approximately \$9 million to the increase in net assets.

Governmental Functional Expenses: As reflected in the summary of Changes in Net Assets, the Government expended 47 % of the governmental appropriations for judicial and public safety expenditures. The Government continues to commit substantial financial resources for the safety of its citizens.

Business-type activities: Business-type activities increased the Government's net assets by approximately \$1 million accounting for 8% of the total growth in the government's net assets. Key elements of this increase are as follows:

- The Water and Sewerage Fund reported an increase in net assets of \$4.6 million due to continued operating efficiency of the fund. Although the demand for water was lower than in previous years due to an unseasonably wet summer, management was able to control operating costs in connection with establishing rates sufficient to ensure an increase in net assets.
- The Solid Waste Authority Fund reported a decrease in net assets of \$4.3 million. This decrease was due to an increase in the estimated liability for landfill closure and postclosure costs of \$5.2 million based on information received from the Georgia Environmental Protection Division.
- The Solid Waste Management Fund reported a decrease in net assets of \$346,652. This decrease was due to reduced usage of the landfill.

Financial Analysis of the Government's Individual Funds

Columbia County uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Government's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Government's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The combined fund balance of all the governmental funds is \$41.6 million, of which \$36 million, or 86%, is unreserved.

General Fund

The General Fund is the primary operating fund of the Government. At the end of the current fiscal year, total fund balance of the General Fund was \$14.8 million, of which \$14.3 million, or 96%, was unreserved. A portion of the unreserved fund balance in the General Fund is designated for operations and extraordinary losses, in the amounts of \$9.7 million and \$1 million, respectively, as required by financial management policies of the Government. As a measure of the General Fund's liquidity, it may be useful to compare both undesignated and designated fund balance to total fund expenditures. As of June 30, 2003, total unreserved fund balance, both undesignated and designated, represents 41% of total general fund

expenditures.

The fund balance of the General Fund increased \$1.9 million (14%) as the Board of Commissioners makes a collaborative effort to improve the reserve of the Government. Key factors to this increase are as follows:

- ♦ Total revenue exceeded prior year revenue by \$3.2 million primarily due to the increase of \$1.69 million in taxes. This increase includes additional sales tax revenues of \$709,722, additional recording intangibles taxes of \$260,045, and additional motor vehicle taxes of \$291,896.
- ♦ Intergovernmental revenues increased \$976,746, primarily due to services performed by Roads & Bridges for the Storm Water Utility.

General Fund Budgetary Highlights

During the year ended June 30, 2003, the Government's financial picture remains impressive. The fiscal year 2003 budget was balanced with no millage rate increase and no reduction in services provided to the citizens.

During the year, the Government revised the budget on several occasions. Generally, budget amendments fall into one of five categories: 1) amendments to appropriate fund balance for encumbrances from the prior year; 2) amendments made to adjust the estimates that are used to prepare the original budget resolution once exact information is available; 3) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; 4) increases in appropriations that become necessary to maintain services; and 5) amendments to transfer appropriations between departments. The fifth category has no effect on the final budget and, therefore, is not addressed in this narrative. For example, included in the original budget for the general government function was a contingency in the amount of approximately \$1 million. During the year, the Government transferred these funds to other functions as needed. Total amendments to the General Fund increased expenditures and revenues/other financing sources by only \$155,000 or <0.5%, an immaterial amount.

The actual operating revenues for the General Fund were more than the budgeted amount by \$318,482, or <1%. The individual sources within the revenues fluctuated both positively and negatively. No individual source materially varied from the final budget, except for *other revenues*. In order to balance revenues with expenditures, the Government budgeted as a revenue \$1.25 million of fund balance to be used for capital expenditures.

As a result of superior budget management by all departments of the Government, actual operating expenditures were less than the budgeted amount by \$1.7 million. For the year, actual revenue and other financing sources exceeded actual expenditures and other financing uses by \$1.9 million.

Capital Projects Funds

The Government uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund included in the fund financial statements is the 2001-2005 SPLOST Fund. The proceeds of the special purpose 1% sales tax are accounted for in this Capital Projects Fund until improvement projects are completed. The SPLOST Fund's fund balance is \$15.5 million, all of which is held for specific construction and improvement projects and capital acquisitions. The increase in fund balance is due to the timing of the collection of revenues as compared to project expenditures.

Proprietary Funds

The activities of the Government that render services to the general public on a user charge basis, or that require periodic determination of revenues for public policy are accounted for as Enterprise Funds. The Government's proprietary funds provide the same type of information found in the government-wide

statements but in more detail. Unrestricted net assets at the end of the year were as follows: Water and Sewerage Fund, \$16.6 million; Solid Waste Authority Fund, \$376,255; Solid Waste Management Fund, (\$465,823); Storm Water Utility Fund, \$955,801. The total growth (reduction) in net assets for previously mentioned funds were \$4.6 million, (\$4.3 million), (\$346,652), and \$556,470, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Government's business-type activities.

Capital Assets and Debt Administration

Capital Assets

The Government's investment in capital assets for its governmental and business-type activities as of June 30, 2003 amounts to \$220.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the Government, such as roads, bridges, streets and sidewalks, drainage systems and other similar items.

Major capital asset transactions during the year include:

- Construction of \$2.9 million of infrastructure and other public works projects.
- Addition of water and sewer systems of \$7.6 million.

Additional information on the Government's capital assets can be found in Note 6 of the notes to the financial statements of this report.

**The Government's Capital Assets
(net of depreciation)
June 30, 2003**

Figure 4

	Governmental Activities	Business-type Activities	Total
Land	\$ 25,049,103	\$ 762,523	\$ 25,811,626
Buildings	45,784,769	3,201,037	48,985,806
Improvements other than buildings	2,469,631	-	2,469,631
Utility plant and distribution systems	-	63,316,521	63,316,521
Donated subdivision	-	32,791,094	32,791,094
Storm water systems	-	3,109,206	3,109,206
Infrastructure	18,276,066	-	18,276,066
Vehicles, machinery and equipment	2,898,825	2,539,718	5,438,543
Construction in progress	4,911,005	15,220,151	20,131,156
Total	<u>\$ 99,389,399</u>	<u>\$ 120,940,250</u>	<u>\$ 220,329,649</u>

Long-Term Debt

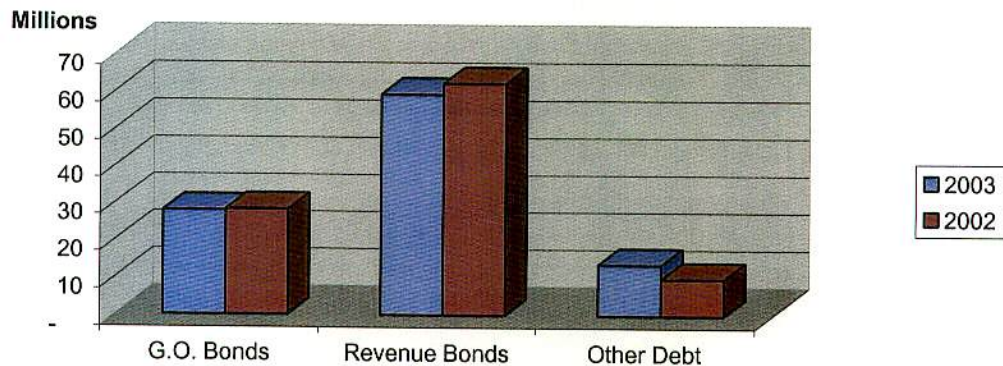
As of June 30, 2003, the Government had a total of \$100.8 million in outstanding long-term debt. Of this amount, \$27.9 million consists of general obligation debt backed by the full faith and credit of the

government and \$59.3 million consists of revenue bonds backed by the revenues of the water and sewer system and the landfill. The Government retired \$3.2 million of outstanding bonds during the year ended June 30, 2003. There were no general obligation or revenue bonds issued during fiscal year 2003.

**The Government's Outstanding Debt
General Obligation and Revenue Bonds
June 30, 2003 and 2002**

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
General obligation bonds	\$ 27,895,000	\$ 28,245,000	\$ -	\$ -	\$ 27,895,000	\$ 28,245,000
Revenue bonds	-	-	59,267,408	62,163,821	59,267,408	62,163,821
Other debt	1,364,783	2,341,950	12,295,684	7,510,708	13,660,467	9,852,658
Total debt	\$ 29,259,783	\$ 30,586,950	\$ 71,563,092	\$ 69,674,529	\$ 100,822,875	\$ 100,261,479



The Government has maintained a bond rating of AA- from Fitch IBCA and Standard & Poor's Rating Group and Aa3 from Moody's Investor Service. These bond ratings are clear indications of the sound financial condition of the Government. These high ratings are a primary factor in keeping interest costs low on the Government's outstanding debt.

The State of Georgia limits the amount of general obligation debt that a unit of government can issue to 10 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Government is \$198 million.

Additional information regarding the Government's long-term debt can be found in Note 7 of the notes to the financial statements of this report.

Economic Factors

The Board of Commissioners have continued to aggressively address the current and future needs of the Government by focusing on sound financial management, the reserve policy, the use of current resources for capital expenditures and the development of capital improvement plans. With a growing, diverse population, the challenge is to continue to improve the quality of life by concentrating on the demands

placed on the public infrastructure such as transportation, water supply, wastewater treatment, the demands of revitalization of many business areas and the demands of greenspace conservation. Although the nation and surrounding counties are facing financial difficulties, Columbia County is able to maintain low property tax rates and low debt levels and has increased the reserves so that we can remain a leader and provide the best place to live, work and play.

Budget Highlights for the Fiscal Year Ending June 30, 2004

With the rapid growth in the County and a continual desire to improve services, passing a balanced budget with an adequate contingency without raising the millage rate for the fifth consecutive year is a triumph for the Government. Because of the fiscal responsibility by the Board of Commission in the past, the Government is able to weather tight financial times while seeking to provide services as cost-effectively as possible.

The County's goals for 2004 start with the continuation of fiscal responsibility and researching and initiating needed long-term projects. This year, we will develop and pursue a capital improvement plan (CIP), long-range transportation study, fire services study, and economic development plan to fund Evans Town Center development and re-development in the Martinez commercial area.

Public safety is the primary mission of any county government and comprises approximately \$17 million, or 42%, of the County's fiscal year (FY) 2003/2004 budget. Improvements for the Sheriff's Office and the fire departments are a continual priority. During the next year, great emphasis will be on establishing a list of needed capital improvements for the County in the next five to ten years. These projects will be prioritized and will be the foundation for the next SPLOST program which will begin in 2006 if renewed by the citizens of Columbia County.

Below are additional budget highlights of the General Fund:

- | | |
|---|-------------|
| • Economic development | \$ 953,896 |
| • 2% Contingency | \$ 843,299 |
| • 26 new positions in various
County departments and other
promotions and reclassifications | \$ 923,496 |
| • Merit/benefit increases | \$ 555,188 |
| • Capital equipment | \$1,914,741 |

Requests for Information

This report is designed to provide an overview of the Government's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Columbia County, Georgia, 630 Washington West Drive, Evans, Georgia 30809.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Columbia County, Georgia

Statement of Net Assets

June 30, 2003

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	Development Authority of Columbia County	Columbia County Board of Health
Assets					
Cash and cash equivalents	\$ 30,961,513	\$ 8,631,911	\$ 39,593,424	\$ 61,501	\$ 183,493
Investments	8,686,772	15,759,697	24,446,469	-	-
Taxes receivable	408,546	-	408,546	-	-
Accounts receivable	276,282	2,911,044	3,187,326	215,944	46,375
Intergovernmental receivable	3,583,123	-	3,583,123	-	-
Internal balances	1,112,153	(1,112,153)	-	-	-
Inventories	26,142	513,743	539,885	-	-
Prepaid items	116,162	29,280	145,442	252	-
Deferred charges	-	1,166,752	1,166,752	-	-
Due from fiduciary funds	563,988	-	563,988	-	-
Due from component units	56,000	-	56,000	-	-
Capital assets:					
Land and construction in progress	29,960,108	15,982,674	45,942,782	489,194	-
Other capital assets, net of accumulated depreciation	69,429,291	104,957,576	174,386,867	1,969,813	79,183
Restricted assets:					
Restricted cash	-	17,484,533	17,484,533	-	-
Restricted investments	-	1,979,067	1,979,067	-	-
Total assets	145,180,080	168,304,124	313,484,204	2,736,704	309,051
Liabilities					
Accounts payable	2,519,108	1,838,123	4,357,231	5,000	6,891
Accrued payroll	1,053,887	170,902	1,224,789	-	-
Unearned revenue	679,269	-	679,269	-	-
Accrued interest payable	610,230	340,424	950,654	4,604	-
Due to primary government	-	-	-	56,000	-
Customer deposits	-	57,446	57,446	-	-
Long-term liabilities:					
Liabilities due within one year	1,558,000	4,315,080	5,873,080	550,000	85,675
Liabilities due in greater than one year	27,701,783	67,248,012	94,949,795	3,895,000	-
Total liabilities	34,122,277	73,969,987	108,092,264	4,510,604	92,566
Net assets					
Invested in capital assets, net of related debt	71,494,399	68,365,327	139,859,726	(1,892,070)	79,183
Restricted for debt service	715,729	7,998,301	8,714,030	-	-
Unrestricted	38,847,675	17,970,509	56,818,184	118,170	137,302
Total net assets	\$ 111,057,803	\$ 94,334,137	\$ 205,391,940	\$ (1,773,900)	\$ 216,485

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
Statement of Activities
For the Year Ended June 30, 2003

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 9,160,130	\$ 1,819,522	\$ 12,579
Judicial system	3,099,467	2,886,371	62,709
Public safety	17,039,958	1,688,668	71,222
Public works	5,258,183	67,422	34,850
Health and welfare	1,097,913	54,400	53,244
Culture and recreation	2,979,531	475,035	97,911
Housing and development	2,458,672	1,279,598	62,762
Debt service - interest and fees	1,476,859	-	-
Total governmental activities	42,570,713	8,271,016	395,277
Business-type activities:			
Water and sewer	13,650,616	18,430,993	-
Storm water	1,684,876	2,345,227	-
Solid waste management	4,537,644	4,252,697	-
Solid waste authority	7,617,211	3,093,488	-
Total business-type activities	27,490,347	28,122,405	-
Total primary government	\$ 70,061,060	\$ 36,393,421	\$ 395,277
Component units:			
Development Authority of Columbia County	\$ 735,913	\$ 175,955	\$ 672,846
Columbia County Board of Health	1,230,992	113,222	1,026,050
Total component unit	\$ 1,966,905	\$ 289,177	\$ 1,698,896

General revenues:

Taxes, property
Taxes, other than property
Revenues from use of money and property
Gain on sale of capital assets
Miscellaneous
Total general revenues

Change in net assets

Net assets - beginning
Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets						
Capital Grants and Contributions	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Development Authority of Columbia County	Columbia County Board of Health	
\$ -	\$ (7,328,029)	\$ -	\$ (7,328,029)	\$ -	\$ -	
-	(150,387)	-	(150,387)	-	-	
-	(15,280,068)	-	(15,280,068)	-	-	
508,753	(4,647,158)	-	(4,647,158)	-	-	
-	(990,269)	-	(990,269)	-	-	
393,236	(2,013,349)	-	(2,013,349)	-	-	
-	(1,116,312)	-	(1,116,312)	-	-	
-	(1,476,859)	-	(1,476,859)	-	-	
901,989	(33,002,431)	-	(33,002,431)	-	-	
71,838	-	4,852,215	4,852,215	-	-	
-	-	660,351	660,351	-	-	
-	-	(284,947)	(284,947)	-	-	
-	-	(4,523,723)	(4,523,723)	-	-	
71,838	-	703,896	703,896	-	-	
\$ 973,827	(33,002,431)	703,896	(32,298,535)	-	-	
\$ -	\$ -	\$ -	\$ -	\$ 112,888	\$ -	
-	-	-	-	-	(91,720)	
\$ -	\$ -	\$ -	\$ -	\$ 112,888	\$ (91,720)	
18,156,702	-	-	18,156,702	-	-	
25,975,970	-	-	25,975,970	-	-	
686,170	286,586	-	972,756	-	1,053	
78,949	6,850	-	85,799	-	-	
439,346	-	-	439,346	-	68,430	
45,337,137	293,436	-	45,630,573	-	69,483	
12,334,706	997,332	-	13,332,038	112,888	(22,237)	
98,723,097	93,336,805	-	192,059,902	(1,886,788)	238,722	
\$ 111,057,803	\$ 94,334,137	\$ -	\$ 205,391,940	\$ (1,773,900)	\$ 216,485	

FUND FINANCIAL STATEMENTS

Columbia County, Georgia

**Balance Sheet
Governmental Funds
June 30, 2003**

	General	Special Local Option Sales Tax Fund 2001-2005	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,115,317	\$ 13,085,173	\$ 5,675,842	\$ 30,876,332
Investments	6,013,740	2,007,500	665,532	8,686,772
Taxes receivable	375,111	-	33,435	408,546
Accounts receivable	82,459	225	193,262	275,946
Intergovernmental receivable	1,659,547	1,923,576	-	3,583,123
Due from component units	-	61,000	-	61,000
Due from other funds	2,797,154	45,153	6,530,854	9,373,161
Inventories	26,142	-	-	26,142
Prepaid items	96,547	9,961	9,412	115,920
Total assets	\$ 23,166,017	\$ 17,132,588	\$ 13,108,337	\$ 53,406,942
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 1,343,161	\$ 588,317	\$ 401,510	\$ 2,332,988
Accrued payroll	958,782	28,676	63,029	1,050,487
Accrued compensated absences	213,043	5,757	13,880	232,680
Deferred revenue	294,414	-	705,185	999,599
Due to other funds	5,570,275	988,325	635,295	7,193,895
Due to component unit	5,000	-	-	5,000
Accrued interest	-	-	24,433	24,433
Total liabilities	8,384,675	1,611,075	1,843,332	11,839,082
Fund balances:				
Reserved for encumbrances	404,885	1,878,189	2,381,553	4,664,627
Reserved for inventories/prepaid items	122,689	9,961	9,412	142,062
Reserved for debt service	-	-	715,729	715,729
Unreserved, designated for operations	9,733,255	-	-	9,733,255
Designated for extraordinary reserve	1,000,000	-	-	1,000,000
Unreserved, undesignated	3,520,513	13,633,363	-	17,153,876
Unreserved, reported in nonmajor:				
Special revenue	-	-	2,599,228	2,599,228
Capital projects	-	-	5,559,083	5,559,083
Total fund balances	14,781,342	15,521,513	11,265,005	41,567,860
Total liabilities and fund balances	\$ 23,166,017	\$ 17,132,588	\$ 13,108,337	\$ 53,406,942

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Assets
June 30, 2003**

Amounts reported for governmental activities in the statement of net assets are different because:

Ending fund balance - governmental funds	\$ 41,567,860
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	99,389,399
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	320,330
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(29,024,779)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(585,797)
Internal service funds are used by management to charge the costs of risk management and employee health benefits activity to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(55,263)
Certain activities between funds, including indirect costs and reimbursements, are recorded as revenues and expenditures in the respective funds. These interfund transactions have been eliminated in the statement of net assets.	<u>(553,947)</u>
Net assets of governmental activities	<u>\$ 111,057,803</u>

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2003**

	General	Special Local Option Sales Tax Fund 2001-2005	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes - property	\$ 16,594,572	\$ -	\$ 1,512,099	\$ 18,106,671
Taxes - other than property	12,021,439	10,800,184	3,154,347	25,975,970
Licenses and permits	217,952	-	805,074	1,023,026
Intergovernmental	2,441,827	-	922,722	3,364,549
Charges for services	2,540,756	-	2,395,167	4,935,923
Fines and forfeitures	1,822,308	-	421,259	2,243,567
Investment income	256,274	196,366	226,345	678,985
Contributions and donations	19,036	-	51,254	70,290
Other	351,905	90	85,561	437,556
Total revenues	<u>36,266,069</u>	<u>10,996,640</u>	<u>9,573,828</u>	<u>56,836,537</u>
Expenditures				
Current:				
General government	7,521,563	914,454	368,877	8,804,894
Judicial system	2,732,146	-	11,264	2,743,410
Public safety	14,470,329	-	1,058,037	15,528,366
Public works	3,277,266	-	2,394,935	5,672,201
Health and welfare	934,025	-	-	934,025
Culture and recreation	2,456,985	-	239,319	2,696,304
Housing and development	1,754,561	-	719,613	2,474,174
Miscellaneous	-	-	6,284	6,284
Capital outlay	1,580,543	6,183,464	4,169,021	11,933,028
Debt service:				
Principal	-	-	350,000	350,000
Interest	-	-	1,419,499	1,419,499
Total expenditures	<u>34,727,418</u>	<u>7,097,918</u>	<u>10,736,849</u>	<u>52,562,185</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,538,651</u>	<u>3,898,722</u>	<u>(1,163,021)</u>	<u>4,274,352</u>
Other financing sources (uses)				
Sale of property	78,949	-	-	78,949
Transfers in	275,000	-	2,753,854	3,028,854
Transfers out	-	-	(3,028,854)	(3,028,854)
Total other financing sources (uses)	<u>353,949</u>	<u>-</u>	<u>(275,000)</u>	<u>78,949</u>
Net change in fund balances	1,892,600	3,898,722	(1,438,021)	4,353,301
Fund balances - beginning	12,888,742	11,622,791	12,703,026	37,214,559
Fund balances - ending	<u>\$ 14,781,342</u>	<u>\$ 15,521,513</u>	<u>\$ 11,265,005</u>	<u>\$ 41,567,860</u>

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2003**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 4,353,301

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 7,429,584

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 50,032

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,456,288

In the fund financial statements, interest expense on long-term debt is reported in the period that the current financial resources are used. In the statement of activities, interest expense on long-term debt is recorded as the expense is incurred. This amount is the difference between recording interest as accrued rather than as paid. 5,469

The net revenue of certain activities of the internal service funds is reported with governmental activities. (406,021)

Certain activities between funds, including indirect costs and reimbursements, are recorded as revenues and expenditures in the respective funds. These interfund transactions have been eliminated in the statement of activities. (553,947)

Change in net assets of governmental activities \$ 12,334,706

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Taxes - property	\$ 16,365,049	\$ 16,365,049	\$ 16,594,572	\$ 229,523
Taxes - other than property	11,176,485	11,176,485	12,021,439	844,954
Licenses and permits	208,300	208,300	217,952	9,652
Intergovernmental	2,020,253	2,020,253	2,441,827	421,574
Charges for services	2,151,842	2,151,842	2,540,756	388,914
Fines and forfeitures	1,865,000	1,865,000	1,822,308	(42,692)
Investment income	551,200	551,200	256,274	(294,926)
Contributions and donations	52,000	52,000	19,036	(32,964)
Other	1,502,458	1,557,458	351,905	(1,205,553)
Total revenues	<u>35,892,587</u>	<u>35,947,587</u>	<u>36,266,069</u>	<u>318,482</u>
Expenditures				
Current:				
General government	9,569,761	7,263,001	7,521,563	(258,562)
Judicial system	2,617,536	2,829,252	2,732,146	97,106
Public safety	13,724,230	15,019,668	14,470,329	549,339
Public works	3,213,535	3,405,518	3,277,266	128,252
Health and welfare	914,331	956,795	934,025	22,770
Culture and recreation	2,327,001	2,523,107	2,456,985	66,122
Housing and development	2,131,607	2,288,226	1,754,561	533,665
Capital outlay	1,744,082	2,111,516	1,580,543	530,973
Total expenditures	<u>36,242,083</u>	<u>36,397,083</u>	<u>34,727,418</u>	<u>1,669,665</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(349,496)</u>	<u>(449,496)</u>	<u>1,538,651</u>	<u>1,988,147</u>
Other financing sources (uses)				
Sale of property	100,000	100,000	78,949	(21,051)
Transfers in	249,496	349,496	275,000	(74,496)
Total other financing sources (uses)	<u>349,496</u>	<u>449,496</u>	<u>353,949</u>	<u>(95,547)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,892,600</u>	<u>\$ 1,892,600</u>
Fund balance - beginning			<u>12,888,742</u>	
Fund balance - ending			<u>\$ 14,781,342</u>	

Columbia County, Georgia

Statement of Net Assets

Proprietary Funds

June 30, 2003

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 371,881	\$ 5,659,160	\$ 786,406
Investments	12,392,664	3,367,033	-
Accounts receivable	2,205,456	991	489,823
Due from other funds	6,937	-	177,179
Inventories	513,743	-	-
Prepaid items	23,562	-	2,488
Total current assets	15,514,243	9,027,184	1,455,896
Noncurrent assets			
Restricted cash and investments	13,858,682	5,604,918	-
Deferred charges	1,136,899	29,853	-
Capital assets, net of accumulated depreciation	114,676,338	2,146,334	444,485
Total noncurrent assets	129,671,919	7,781,105	444,485
Total assets	145,186,162	16,808,289	1,900,381
Liabilities			
Current liabilities			
Accounts payable	1,729,313	-	96,417
Accrued payroll	143,652	-	14,723
Accrued compensated absences	232,432	-	27,830
Due to other funds	316,971	177,179	227,824
Payable from restricted assets			
Revenue bonds payable	2,690,000	1,015,000	-
Accrued interest payable	239,461	100,963	-
Customer deposits	57,446	-	-
Current portion of notes payable and capital leases	228,607	-	113,074
Total current liabilities	5,637,882	1,293,142	479,868
Noncurrent liabilities			
Notes payable	1,829,002	-	-
Capital leases	-	-	167,782
Estimated liability for landfill closure and postclosure care costs	-	8,301,677	1,387,143
Revenue bonds	53,187,408	2,375,000	-
Total noncurrent liabilities	55,016,410	10,676,677	1,554,925
Total liabilities	60,654,292	11,969,819	2,034,793

The notes to the financial statements are an integral part of this statement.

Non-major		Governmental
Storm Water		Activities -
Utility		Internal
Fund	Total	Service
		Funds
\$ 1,814,464	\$ 8,631,911	\$ 85,181
-	15,759,697	-
214,774	2,911,044	336
5,477	189,593	26,043
-	513,743	-
3,230	29,280	242
2,037,945	28,035,268	111,802
-	19,463,600	-
-	1,166,752	-
3,673,093	120,940,250	-
3,673,093	141,570,602	-
5,711,038	169,605,870	111,802
12,393	1,838,123	186,120
12,527	170,902	3,400
8,137	268,399	2,324
1,049,087	1,771,061	59,853
-	3,705,000	-
-	340,424	-
-	57,446	-
-	341,681	-
1,082,144	8,493,036	251,697
-	1,829,002	-
-	167,782	-
-	9,688,820	-
-	55,562,408	-
-	67,248,012	-
1,082,144	75,741,048	251,697

Continued on the following pages.

Columbia County, Georgia
Statement of Net Assets - Continued
Proprietary Funds
June 30, 2003

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Net assets			
Invested in capital assets, net of related debt	65,604,489	(1,243,666)	331,411
Restricted for debt service	2,292,420	5,705,881	-
Unrestricted net assets	16,634,961	376,255	(465,823)
Total net assets	<u>\$ 84,531,870</u>	<u>\$ 4,838,470</u>	<u>\$ (134,412)</u>

Some amounts reported for *business-type activities* in the statement of net assets are different because of the following:

- Certain internal service fund assets and liabilities are included with business-type activities.
- Interfund indirect cost allocations have been eliminated.
- Total net assets for business-type activities

<u>Non-major</u>		Governmental
<u>Storm Water</u>		Activities -
<u>Utility</u>		Internal
<u>Fund</u>	<u>Total</u>	<u>Service</u>
		<u>Funds</u>
3,673,093	68,365,327	-
-	7,998,301	-
955,801	17,501,194	(139,895)
<u>\$ 4,628,894</u>	<u>93,864,822</u>	<u>\$ (139,895)</u>

(84,632)
553,947
\$ 94,334,137

Columbia County, Georgia

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2003**

	Business-type Activities - Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Operating revenues			
Charges for services	\$ 16,023,330	\$ 3,062,323	\$ 2,668,864
Intergovernmental	71,838	-	-
Contributions	2,129,501	-	-
Reimbursement	-	-	1,568,321
Other	2,300	-	20,062
Total operating revenues	<u>18,226,969</u>	<u>3,062,323</u>	<u>4,257,247</u>
Operating expenses			
Personal services	3,291,501	-	334,412
Purchased/contracted services	1,352,642	3,246	557,381
Supplies and materials	2,186,594	-	137,025
Repairs and maintenance	277,624	-	-
Interfund/Interdepartmental charges	342,942	1,568,321	76,212
Depreciation and amortization	4,305,952	671,820	120,315
Other costs	67,448	5,171,899	3,302,250
Total operating expenses	<u>11,824,703</u>	<u>7,415,286</u>	<u>4,527,595</u>
Operating income (loss)	<u>6,402,266</u>	<u>(4,352,963)</u>	<u>(270,348)</u>
Nonoperating revenue (expense)			
Interest earned	290,766	279,213	-
Interest expense	(2,099,158)	(201,925)	(76,304)
Total nonoperating revenue (expense)	<u>(1,808,392)</u>	<u>77,288</u>	<u>(76,304)</u>
Change in net assets	<u>4,593,874</u>	<u>(4,275,675)</u>	<u>(346,652)</u>
Total net assets - beginning	79,722,143	9,114,145	212,240
Prior period adjustments	<u>215,853</u>	<u>-</u>	<u>-</u>
Total net assets - beginning, as restated	<u>79,937,996</u>	<u>9,114,145</u>	<u>212,240</u>
Total net assets - ending	<u>\$ 84,531,870</u>	<u>\$ 4,838,470</u>	<u>\$ (134,412)</u>

Some amounts reported for *business-type activities* in the statement of net assets are different because of the following:

Certain internal service fund assets and liabilities are included with business-type activities.

Interfund indirect cost allocations have been eliminated.

Total net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

Non-major Storm Water Utility Fund	Total	Governmental Activities - Internal Service Funds
\$ 2,012,919	\$ 23,767,436	\$ 2,626,784
-	71,838	735,551
332,308	2,461,809	-
-	1,568,321	-
-	22,362	26,301
<u>2,345,227</u>	<u>27,891,766</u>	<u>3,388,636</u>
300,985	3,926,898	73,919
160,065	2,073,334	3,759,840
15,812	2,339,431	5,387
-	277,624	-
987,096	2,974,571	44,974
350,733	5,448,820	-
-	8,541,597	2,354
<u>1,814,691</u>	<u>25,582,275</u>	<u>3,886,474</u>
530,536	2,309,491	(497,838)
25,934	595,913	7,185
-	(2,377,387)	-
<u>25,934</u>	<u>(1,781,474)</u>	<u>7,185</u>
556,470	528,017	(490,653)
4,072,424	93,120,952	350,758
-	215,853	-
<u>4,072,424</u>	<u>93,336,805</u>	<u>350,758</u>
<u>\$ 4,628,894</u>	<u>\$ 93,864,822</u>	<u>\$ (139,895)</u>

(84,632)
 553,947
\$ 94,334,137

Columbia County, Georgia

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2003**

	Business-type Activities-Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Operating activities			
Cash received from customers	\$ 18,705,984	\$ 3,062,653	\$ 4,908,850
Cash paid to suppliers and others	(3,849,852)	(1,655,691)	(4,084,608)
Cash paid to employees	(3,327,979)	-	(380,090)
Net cash provided by (used in) operating activities	11,528,153	1,406,962	444,152
Capital and related financing activities			
Acquisition and construction of capital assets	(12,559,756)	-	(287,847)
Principal paid on revenue bonds	(2,540,000)	(890,000)	-
Principal paid on notes / capital leases	(218,467)	-	(64,506)
Interest paid on revenue bonds, notes and capital leases	(2,099,158)	(227,512)	(76,304)
Net cash provided by (used in) capital and related financing activities	(17,417,381)	(1,117,512)	(428,657)
Investing activities			
Interest on investments	281,153	279,213	-
Net cash provided (used) in investing activities	281,153	279,213	-
Net increase (decrease) in cash and cash equivalents/investments	(5,608,075)	568,663	15,495
Cash and cash equivalents/investments			
Beginning of year	32,231,302	14,062,448	770,911
End of year	\$ 26,623,227	\$ 14,631,111	\$ 786,406

The notes to the financial statements are an integral part of this statement.

Non-major		Governmental	
Storm Water		Activities -	
Utility		Internal	
Fund	Total	Service	
		Funds	
\$ 2,292,572	\$ 28,970,059	\$ 3,393,813	
(842,555)	(10,432,706)	(3,697,046)	
(300,547)	(4,008,616)	(71,595)	
1,149,470	14,528,737	(374,828)	
(660,122)	(13,507,725)	-	
-	(3,430,000)	-	
-	(282,973)	-	
-	(2,402,974)	-	
(660,122)	(19,623,672)	-	
25,934	586,300	7,185	
25,934	586,300	7,185	
515,282	(4,508,635)	(367,643)	
1,299,182	48,363,843	452,824	
\$ 1,814,464	\$ 43,855,208	\$ 85,181	

Continued on the following pages.

Columbia County, Georgia

**Statement of Cash Flows - Continued
Proprietary Funds
For the Year Ended June 30, 2003**

	Business-type Activities-Enterprise Funds		
	Water and Sewerage Fund	Solid Waste Authority Fund	Solid Waste Management Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 6,402,266	\$ (4,352,963)	\$ (270,348)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,305,952	671,820	120,315
Change in assets and liabilities			
Accounts receivable	457,274	330	651,603
Inventory	(198,866)	-	-
Deferred charges / prepaid expense	308,071	-	(770)
Due from other funds	24,592	-	84,124
Accounts payable	304,474	-	(59,416)
Accrued liabilities	(23,805)	-	(47,863)
Customer deposits	21,741	-	-
Due to other funds	(73,546)	(84,125)	(11,261)
Estimated liability for landfill closure and postclosure care cost	-	5,171,900	(22,232)
Total adjustments	5,125,887	5,759,925	714,500
Net cash provided by (used in) operating activities	\$ 11,528,153	\$ 1,406,962	\$ 444,152

The notes to the financial statements are an integral part of this statement.

Non-major Storm Water Utility Fund	Total	Governmental Activities - Internal Service Funds
\$ 530,536	\$ 2,309,491	\$ (497,838)
350,733	5,448,820	-
(52,655)	1,056,552	5,177
-	(198,866)	-
(262)	307,039	(99)
186,247	294,963	6,591
(14,792)	230,266	150,933
(786)	(72,454)	(5,932)
-	21,741	-
150,449	(18,483)	(33,660)
-	5,149,668	-
618,934	12,219,246	123,010
\$ 1,149,470	\$ 14,528,737	\$ (374,828)

Columbia County, Georgia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2003

	Pension Trust Fund	
	Employees' Retirement Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ -	\$ 2,472,250
Investments	9,613,487	-
Total assets	<u>9,613,487</u>	<u>\$ 2,472,250</u>
Liabilities		
Due to other funds	-	\$ 563,984
Due to others	-	1,908,266
Total liabilities	<u>-</u>	<u>\$ 2,472,250</u>
Net assets		
Reserved for employees' retirement	<u>\$ 9,613,487</u>	

The notes to the financial statements are an integral part of this statement.

Columbia County, Georgia
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2003

	Pension Trust Fund Employees' Retirement Fund
Additions	
Interest	\$ 160,869
Contributions	2,123,478
Miscellaneous revenue	132,318
Total additions	<u>2,416,665</u>
Deductions	
Benefits	811,568
Total deductions	<u>811,568</u>
Change in net assets	1,605,097
Total net assets - beginning	<u>8,008,390</u>
Total net assets - ending	<u><u>\$ 9,613,487</u></u>

The notes to the financial statements are an integral part of this statement.